

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1841-01  
Bill No.: HB 573  
Subject: Construction and Building Codes: Contracts and Contractors; Housing; Property,  
Real and Personal  
Type: Original  
Date: April 1, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Economic Development - Division of Professional Registration** indicated this proposal would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator** state this proposal would have no fiscal impact on the Courts.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

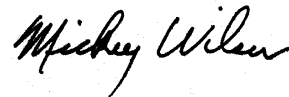
This proposal creates a procedural prerequisite for filing a lawsuit for defective residential construction. In its main provisions, the proposal:

- (1) Requires homeowners to provide written notice to contractors detailing the alleged defective construction prior to filing a lawsuit;
- (2) Requires contractors to timely respond in writing, offering an inspection followed by repair, monetary compensation, or disputation of the claim; offering monetary compensation; or disputing the claim;
- (3) Delineates the circumstances pursuant to which homeowners must first attempt mediation of claims or may proceed directly to filing a lawsuit; and
- (4) Requires contractors to provide homeowners with notice of the procedural prerequisite for filing a lawsuit at or prior to entering into construction contracts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development  
Division of Professional Registration  
Office of State Courts Administrator



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DIRECTOR  
APRIL 1, 2003